

For F&F Customers, Sustainability is a Growth Driver

“**[S]**ustainability is a driver for growth, and the only long-term option for business in a volatile world,” said Paul Polman, CEO of Unilever, when the company released its latest sustainability report.

Jean-Paul Agon, chairman and CEO of L’Oréal, went further in his company’s sustainability report: “Our objective is clear: to become one of the leaders of a new economic development model, which is increasingly ecological, responsible and inclusive.”

At the same time, a recent investor analysis from Market Realist (<http://marketrealist.com>) notes that, for Procter & Gamble, “Sustainability initiatives are also a key future growth driver for brands like Lifebuoy and Downy. They’re becoming increasingly more relevant—particularly for detergent brands, as water conservation becomes a global goal.”

Consumers Seek “Proactive” Approach

Indeed, sustainability is a key focus not only for marketers and brands, but also for consumers. Recently, Euromonitor (www.euromonitor.com) noted that the Middle East has overtaken Latin America as the fastest-growing beauty market. In a separate analysis, the Chalhoub Group (www.chalhoubgroup.com) took an up-close look at Middle East luxury consumers and concluded that 83% of them expect brands to “proactively engage in sustainable practices.”

According to a recent Mintel (www.mintel.com) report, “Organic Food and Beverage Shoppers US 2015,” “more than half of Millennials ... say they feel better about themselves when they purchase organic products.” The company adds, “[T]he past two years have seen a 6% uptick in consumers who define themselves as super/true green (defined as those who buy green products ‘almost always’ or ‘regularly’) ... to equate to about 93 million Americans.”

These consumers are also becoming more sophisticated in their analysis of product claims, meaning “greenwashing” is a significant no-no. At the same time, consumers are motivated as much by saving money as the planet.

Mintel notes, “While 18% of consumers across all age groups are still willing to pay a premium for green products, nearly six in 10 U.S. consumers practice ‘green’ behaviors to save money rather than the environment.”

Sustainability in Motion

For Unilever, sustainability has resulted in the conservation of about 1 million metric tons of CO₂, as well as a savings of €244



million. The gains were achieved in part through the reduction of energy use by 20%.

L’Oréal, meanwhile, has established a biodegradability benchmark for the ingredients used in its formulas. These will be used to continuously improve the biodegradability of the company’s products. Simultaneously, L’Oréal has employed green chemistry and sustainable sourcing strategies to improve the environmental and social profiles of 46% of its products.

Last year, the company evaluated all of its renewable materials against 26 criteria focused on biodiversity protections and socioeconomic development for producer communities. Twenty-two percent of these materials were produced using green chemistry principles, according to L’Oréal.

The company is also on track to reduce its CO₂ emissions by 60% between 2005 and 2020, and will reduce its water consumption per finished product unit and cut waste at all production and distribution sites. This last goal is certainly achievable as seen when Unilever recently announced that it had achieved cost savings of \$226 million by eliminating the shipment of non-hazardous waste to landfills from its production sites.

Continuous Improvement

The goal line of sustainability is in continual motion. Colgate, for example, recently announced that it had zero net deforestation, reduction of greenhouse gas emissions by 25%, and overall sustainability improvements in its products and packaging as core goals moving forward.

The company has reportedly boosted the sustainability profile of 72% of its products in part by offering natural products and focusing on sustainable product development and ingredient sourcing.

Meanwhile, Procter & Gamble notes that it is continuously monitoring its sustainability performance to ensure that goals are met and that the organization continues to identify opportunities to further optimize its performance.



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